

the conversion of their bills into cash—conferring the designed capacity of more fully performing their public functions in the development of general business—appeared to have become too strictly biased in fortifying their own corporate positions. Such a conclusion was perhaps natural at so excited a time, but I believe that no real justification for it existed in fact. In so severe a stress, reasonable caution in the choice of bills possibly carried with it a more permanent promise of public security. Bills, again, it may be noted, had become scarce through the constriction of commerce enforced by the war, but some new bills (*i.e.* post-Moratorium bills) were discounted.

*August
31st.*

The Chancellor of the Exchequer intimated that the Moratorium, which would terminate on the 4th September, must be continued for an additional month. He stated that the majority of traders were in favour of its extinction. But the preservation of the general trade of the country was so paramount, by maintaining the solvency of the acceptors of bills, that even excessive caution was preferable in such an emergency to what might prove to be a premature act. It was a noteworthy circumstance amid so deep a perplexity and impossibility of forecast—a sign equally of national character and financial ability—that the Chancellor was able to announce that the people, in increasing numbers, were expressing the view that it was their duty to pay if they could, and that their attitude proved their desire to act fairly towards their neighbours. The enemy, as I have stated, had confidently anticipated, as an essential element of his supposed machinery of conquest, that, through withdrawals of gold and the consequent impediment to our measures for the prosecution of the war, the Bank of England would be seriously crippled, if not entirely erased. But our Palladium of Finance, with the quietness of exuberant might, stood imperturbably firm: not the most transient tremor touched its steadfast strength: calm and soundness of judgment, the accurate gauging of successive crises, and the instant design of efficient aids, marked, and rendered triumphant, every phase. Fear can never rest for a moment upon our shores